

Item # \_\_\_\_\_

Prepared by: Gaye Davis/Lee Hinson

Approved by: \_\_\_\_\_

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**Resolution granting an easement for transmission of electricity to Nucor Steel Memphis, Inc., as approved by the Board of Commissioners of The Memphis and Shelby County Port Commission on March 27, 2008, and this item does not require the expenditure of county funds. Sponsored by Commissioner Wyatt Bunker.**

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**WHEREAS**, Nucor Steel Memphis, Inc. (“Nucor”) has requested that the Memphis and Shelby County Port Commission grant to it an easement of certain lands located in Pidgeon Industrial Park, such lands being more particularly described in the Agreement attached hereto; and

**WHEREAS**, Nucor has proposed to use the easement to construct and install electric transmission lines and related fixtures for the transmission of electricity to Nucor’s steel mill; and

**WHEREAS**, The term of the proposed easement is perpetual and non-exclusive; and

**WHEREAS**, Said proposed easement will facilitate the development of Pidgeon Industrial Park and thus is in the best interest of the Memphis and Shelby County Port Commission.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF SHELBY COUNTY, TENNESSEE**, on recommendation of the Memphis and Shelby County Port Commission, that the proposed easement grant to Nucor be and hereby is approved.

**BE IT FURTHER RESOLVED**, That the Mayor of Shelby County is hereby authorized to execute same.

**BE IT FURTHER RESOLVED,** That this action is subject to concurrence by City of  
Memphis.

\_\_\_\_\_  
A C Wharton, Jr.  
County Mayor

Date\_\_\_\_\_

Attest:

\_\_\_\_\_  
Clerk of County Commission

**ADOPTED** \_\_\_\_\_

## SUMMARY SHEET

I. Description of Item : Resolution granting an easement for transmission of electricity to Nucor Steel Memphis, Inc., as approved by the Board of Commissioners of the Memphis and Shelby County Port Commission on March 27, 2008.

II. Source and Amount of Funding

This is a utility easement. There is no funding within the agreement.

III. Contract Items

A. Type of Contract: Utility Easement Agreement

B. Terms: Perpetual and non-exclusive

IV. Additional Information Relevant to approval of this item

Nucor Steel acquired the previous Birmingham Steel Mill at 3601 Paul R. Lowry Road in Memphis, TN in 2002. The retrofitted mill, on 620 acres in the Frank C. Pidgeon Industrial Park, will start production in May of 2008. Nucor currently has a direct electric feed from a TVA 500 kV line crossing the park. The large electrical load required for the smelting process necessitated a direct connection to TVA lines. Utilization of local utility power would have jeopardized existing equipment and destabilized existing grids. The proposed 161 kV utility easement is a redundant connection directly to the TVA power plant. Power interruption during the smelting process can cause extensive and expensive damage to equipment and safety issues. The local utility has also stated that the 161 kV load is excessive for the existing electrical grid.

The Memphis and Shelby County Port Commission does not usually charge a fee for utility connections when the supplier is a governmental organization such as TVA or MLG&W. The supply of utilities to current and potential customers is seen as a direct benefit to the community. Nucor is projected to hire in excess of 260 employees at higher than average salary rates. Additionally, the easement will be contiguous with an existing TVA easement in an area reserved for utility placement.